

HIGHEST AND BEST USE (CONTINUED)

commercial development. The subject's zoning classification restricts its use to one or a combination of the uses mentioned in the previous zoning paragraph. The subject has very good visibility from both lanes of U. S. Route 340 and Maryland Route 17 and Maryland Route 180 (Jefferson Pike). The subject's location in a "rural" location in a moderate growth area and the current recession, the timing of the development of the subject is questionable. At present, there appears to be little demand for commercial development at this interchange but there is little doubt that the subject does have good future potential.

METHOD OF EVALUATION

All three approaches to value have been considered in the overall analysis of the subject property. The following is a brief definition of each of the three major approaches to value.

The Cost Approach is utilized to reflect the value of the property by adding together the estimated land value and the reproduction costs new of the improvements less the accrued depreciation including physical, functional, and economical.

The Market Data Approach is the estimation of the subject property's value based on a detailed comparison of factual data extracted from sales of similar area properties.

The Income Approach is the estimate and conversion of the anticipated benefits (net income stream) into present value by the capitalization process.

In evaluating the subject property, consideration has been given to all three approaches (Cost, Market Data, and Income) in arriving at the final estimate of value. Since the subject property is unimproved, the only approach to value is the Market Data Approach.

MARKET DATA APPROACH FOR LAND VALUE

In my analysis of the subject property, I have researched and investigated numerous highway commercial type sales in Frederick County along the various major highways. The following are the sales that I considered to be most comparable to the subject.